

JPRS 75870

13 June 1980

# Near East/North Africa Report

No. 2132

Egypt: Special Report on Housing

31 March - 20 April 1980

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

13 June 1980

## NEAR EAST/NORTH AFRICA REPORT

No. 2132

## EGYPT: SPECIAL REPORT ON HOUSING

31 MARCH - 20 APRIL 1980

## CONTENTS

## AL-AHRAM

Ten Ramadan City Opens for Occupancy (Khamis al-Bakri, Hasan 'Ashur, 31 Mar 80).....	1
Nation's Building Materials Shortage Surveyed ('Izzat 'Abd-al-Mun'im, 13 Apr 80).....	7
People's Assembly Discusses Government Housing Plan (Fu'ad Sa'd, Mahmud Mu'awad, 16 Apr 80).....	10
Briefs New Housing, Hospital Aid	17

## AL-AHRAM AL-IQTISADI

Price Movements in Building Materials Noted (15 Apr 80).....	18
---	----

## AL-AKHBAR

Five-Year Housing Plan Examined, Discussed (14 Apr 80).....	20
People's Assembly Discusses National Housing Plan ('Isa Murshid, Sharif Riyad, 16 Apr 80).....	31

## AKHBAR AL-YAWM

New Government Housing Financing Reviewed (Jamil George, 5 Apr 80).....	38
--	----

AKHIR SA'AH

Government's New Steps To Solve Housing Problem Reviewed ( 'Abiah 'Adawi, 9 Apr 80).....	40
---	----

AL-JUMHURIYAH

Assignment of Apartments in 10 Ramadan City Starts (Sabri 'Afifi, 5 Apr 80).....	45
Military Housing Projects Reviewed (Ahmad Gharib, 8 Apr 80).....	48

TEN RAMADAN CITY OPENS FOR OCCUPANCY

Cairo AL-AHRAM in Arabic 31 Mar 80 p 3

/Article by Khamis al-Bakri and Hasan 'Ashur: "In 24 Hours, the First City Added to the Map of Egypt in 117 Years Will Be Born!"/

/Text/ A cultural event of utmost importance which has not been recorded in the history of Egypt for 117 years will be realized tomorrow.

Fifty-two kilometers from the heart of Cairo, at the midpoint on the road to al-Isma'iliyah, the first new city to be added to the map of Egypt, bearing the name 10 Ramadan City, will be born. In 24 hours it will open its doors to 2,000 families while 26 months ago it was only a fistful of sand!

The newborn city is to be considered the first of the steps being achieved on the road toward a comprehensive cultural strategy of conquering the desert and spreading out centers of culture swarming with new complexes representing, by every criterion, a construction extension to the 21st century.

In its final form, which will not be completed until the end of this century, all types of life will sprawl out within it, over 14,000 feddans, and it will accommodate 500,000 people.

What is the picture which the inhabitants of the fledgling new city will now see? What are the services it will offer them? How will the city grow with them and with their children? How will new inhabitants take occupancy of their apartments?

What is the vision of the Ministry of Development and New Communities, which was at the head of the caravan of activity which achieved this dream in record time?

Eng Hasaballah al-Kafrawi says, "On the birthday of 10 Ramadan City and all future new cities--al-Sadat, 15 May, 6 October, al-'Ubur, al-'Amiriyah and al-Amal--we stand firmly and determinedly at the first takeoff toward rectifying the perverse Egyptian population equation. Forty-two million

people are living on just 40,000 kilometers of Egypt's surface area, which totals 1 million square kilometers--that is, all of us are living on just 4 percent of our country, in which towns and farming are accumulated, leaving 690,000 square kilometers /sic/ not all of which is desert, as some people imagine, prey to neglect and loss."

Talking about the scientific method, which takes stock of every step in the field of construction in the new cities, Eng Hasaballah al-Kafrawi continues, "We have visited many countries which were ahead of us in this field and have managed to reap the harvest of the experiences of seven countries, five of which are advanced and two of which have developing, namely West Germany, Sweden, America, England, France, India and Pakistan. Similarly, the studies being made in the Ministry of Development are continuing to experiment under the aegis of international consulting firms.

"For example, 10 Ramadan City was studied under the aegis of Egyptian and Swedish expertise. Before the first step toward construction was taken, all studies thoroughly examined the type of soil, topography of the area, groundwater and wind movements, up to final studies bearing on demographic and social features."

As for the picture inside 10 Ramadan City, just 35 minutes from Cairo Airport:

In the 10 Ramadan City Agency, the discussion continued at length with the agency head, Eng 'Imad-al-Din Ibrahim, Eng Muhammad Kamil Abu-al-Putuh, head of the projects sector, and a group of young engineers, and the new inhabitants who are now preparing for permanent residence in the city answered queries:

The first question concerned the form of the new city and the extent of the achievements to this point.

The development unit in 10 Ramadan City is represented by what is called the neighborhood; every eight neighborhoods makes up an integrated quarter. By 2000 the city will consist of 134 neighborhoods, which will be inhabited by half a million people. Work has now been completed on the construction of four residential neighborhoods and work is underway on the completed, of which 1,768 are traditional, 528 are ready-made, 500 are multi-phase and 417 are villas. The number of rooms in these apartments range from two to four. Each residential neighborhood has a service center composed of an integrated commercial market with a consumer cooperative society and stores for various activities; in each neighborhood, a mosque and two schools (for a nursery and the primary stage) have been built, and the quarter center contains a preparatory and secondary school and a commercial and administrative center containing administrative buildings, police centers and a medical unit.

One market has been constructed so far; this has been opened and will serve the inhabitants coming into the city. Three other markets are being completed.



Commercial sites have been apportioned, delivered and actually rented out, and there is an Islamic primary school. There are eight nurseries, language schools at the most up to date level, a Canadian school and a mechanized oven under construction.

What about the industrial areas in the city?

Fifty-two plants will be constructed in the city. Contract has been made for heavy industrial factories, factories for pharmaceuticals, cables, plate glass, and canning in the city. The factories which have actually been constructed are a prestressed concrete factory, which is a heavy industrial plant being made in agreement between a public sector company, Sigwart, and two French companies; a company for facilities to implement prestressed concrete work; a plant for carpentry work for doors, windows and furniture; and other plants for paint, tiles, pipes, electrical appliances, tire retreading, foodstuffs, textiles, artificial sponge, metalwork and industrial machinery. A meter of industrial land costs between 7.5 and 13.5 pounds now, and the smallest site is 1,300 meters in area. The land allocated for housing, which people have agreed to purchase for construction, ranges from 150 to 600 meters per plot at a price of 5 pounds per meter regardless of purpose, and the price includes utilities. An announcement has been made that persons who have made reservations will receive their land in the second residential quarter on 1 April; after that preparations will start for the delivery of residential land in the third quarter.

What about other utility services?

Work has been completed on a ring road for the first stage of the town and inner roads in the residential neighborhoods, and the industrial area and the main entrance to the town have been paved. Work has also been completed on construction of a sewer and sanitary drainage system for the first phase and the city has been tied in to the republic's electricity grid.

Regarding drinking water, credits will be provided for the next 2 years for groundwater, now that 19 wells have been drilled whose water is fresh and wholly fit for drinking (with a salinity of 500 to 800 parts per million); by 1982, brackish water stations will be constructed to which the Bilbays sweet water pipe will be extended from the al-Isma'iliyah Canal.

The Bus Line and Metro Project

What has been done about communications?

A bus line from Cairo to 10 Ramadan City is now operating four trips. The price per ticket is 48 piasters, 12 of which are subsidized by the Ministry of Development; however, after the flow of residents to the town, this line will be reviewed and the town will be connected to the East Delta Bus Transport Lines so that 10 /Ramadan/ City will be connected to al-Isma'iliyah, Port Said and Cairo. In the development plan for the city, there

is a metro project, and a study is underway now to connect that to the railway line which is no more than 12 kilometers from 10 /Ramadan City/. There are now postal, telephone and telegraph services in the city, and work is going on on stages to construct an exchange in the city to meet all telephone line requirements. There is an urgent plan to set up 5,000 microwave lines which will naturally be given to factories, investors and development agencies. The city exchange will be built in 2 years, but thought is also being given to making a temporary exchange which can provide more lines for residents.

Can an entire city function without a hospital providing medical services?

There now is a mobile hospital in a large truck equipped for emergency operations and first aid center, a medical unit and a number of private clinics for doctors, until an integrated hospital is built.

What about agricultural projects in the young city?

A green belt of trees surrounds the city and 10,000 square meters of forest trees and orchards are concentrated in the southwestern section of the city, from which the winds blow, as a wind barrier which in turn will function as an air filter and sand barrier.

What can the city look forward to in the way of recreation?

There is an integrated project which consists of the construction of the biggest city for children in Egypt covering area of 300 feddans, which will be called "Child's World." A competition was held among our engineers to build a model for this and the engineers Bahir Fathy and Mahmud 'Ulaywah won first prize. Another project, first of its kind, bears on the establishment of a drive-in movie theater for citizens which will accommodate 300 cars in addition to 500 viewers, and there is also a project to construct the memorial plaque, which was won by the artist Salah 'Abd-al-Karim.

How will the apartments be handed over?

We continued our discussion in the 10 Ramadan City Development Agency with Mahmud al-Kadsh, contract manager, so that we could learn more about the regulations followed in housing new citizens in the city.

Since the beginning, care has been given to basic regulations to establish harmony and equality among citizens. Each citizen fills out a form giving his social status, his income, the number of his children, and the neighbors he would prefer to live next to. This data is fed into a computer and the computer distributes the new residents to apartments and villas in six neighborhoods in the city. The apartments will be handed over to tomorrow, 1 April; naturally, it will not be feasible to hand them over to 2,001 families at once, since each citizen will examine the apartment in



the company of an agency representative and a representative from the contracting company. The resident will receive the key to the apartment only after he is satisfied with the good order of all the facilities in it. After then, the contract will be signed and the key will be handed over. What is desired is that every resident receive a letter from the real estate affairs /department/ of the agency telling him what apartment has been allotted to him, so that he may proceed to have a certificate copied out by the investment secretaries' agency in the National Bank stating that he has paid the deposit price, which amounts to 10 percent of the price of the housing unit. There are conditions in the contract aimed at speeding up development of the town and preventing speculation in apartments or land, including a prohibition on the disposal of housing units except as personal dwellings of citizens and their families and a prohibition on the sale or rental of these properties. As far as land goes, this must be built on within a period of 1 to 3 years and construction conditions stipulate that the building not exceed four floors and that one quarter of the ground area be kept as space for the planting of trees.

Every resident will be given a brochure setting forth ownership conditions and specifications and a sketch design of the apartment which will contain a description of the entire city.

Regarding streets in the city, a plan is now being set out with the intention of giving them names of the martyrs of the battles of the prophet (on whom be God's blessings and peace), martyrs of the 10 Ramadan war, and the names of the early Egyptian pioneers in medicine, engineering, letters and journalism.

Outside the 10 /Ramadan/ development agency and the heart of the fledgling city, a conversation is going on among the young engineers, investors and workers.

A young engineer, Ahmad Hilal, New Towns Authority expert, calls upon the youths of Egypt to venture into the desert, live in the new cities and enroll in the development projects which extend from Karkar on the dam reservoir to al-Ghardaqa and Marsa Matruh. Eng Hilal requests officials in the Industrialization Authority and the Investment Authority to hurry to give their agreement to new industrial projects to accelerate the development of 10 /Ramadan/ City.

A young engineer, Abu 'Awf Hamid, city planner and at the same time giver of sermons and preacher at the mosque in 10 Ramadan's Neighborhood One, calls for innovations in new nontraditional construction materials for the new cities and hopes that agreement will be reached with a German company to establish a project to build an entire residential neighborhood out of wood and fire-resistant plastic materials, in order to save cement and construction brick.

A young artist in plastic crafts, Muhammad Nadi who merits the utmost approval for his excellent efforts in beautifying 10 Ramadan City, imparting

touches of plastic art on to buildings, schools and markets in spite of a lack of previous experience in this sphere, calls for the general application of this experiment throughout al-Sadat and 6 October Cities and the selection of cool colors to break up the intensity of the desert. He hopes that he will be given an opportunity to travel to advanced countries to enrich the talents he began with in 10 /Ramadan/.

Two doctors and businessmen, 'Uthman Muhammad 'Uthman and Sa'id al-Najjar, on returning from England and Nigeria after a long working trip, pooled their life savings and built a factory to produce windows and doors; they talk about the severity of the experience and the conditions of workers, for whom housing and food must be provided. They request the city agency first to restrict themselves to meeting development requirements for production in the city's factories so that self-sufficiency may be attained and plants arising in the heart of the desert may be encouraged. The two doctors will open a medical clinic alongside their industrial project.

A pioneering pharmacist, Dr Fatimah Abu Zahrah, who has opened the only pharmacy in the city, requests all growing families to conquer the desert and remove themselves from the din of Cairo.

Samir 'Abd-al-'Aziz, supervisor of the consumer cooperative, says that all commodities--even those in which the inhabitants of Cairo are suffering from a shortage--are available in the city.

#### A New Society--How?

There remain two quick observations and one hope:

The first observation: at the entrance to the city there is a furnished model villa whose roof is equipped with a heater operating on solar energy; why aren't such heaters put in obligatory general use under the supervision of officials in the city agency, provided that their cost is added to the cost of every housing unit, in order to save fuel, spare the inhabitants the concern of bottled butane cylinders, with their accidents; and stamp the new cities with a new life style?

The second observation: it is necessary to hasten the extension of a rapid metro line to link 10 Ramadan City to Cairo and al-Isma'iliyah. This will surely contribute not just to the development of 10 /Ramadan/ but also to the development of al-Isma'iliyah, the conquest of Sinai, and construction of a new Mit Abu-al-Kawm on its land.

The hope is that a decree will be issued by the city development agency prohibiting the use of loudspeakers in 10 Ramadan and prohibiting automobile horns, so that people moving to it may sense that they really are in a new society!

## NATION'S BUILDING MATERIALS SHORTAGE SURVEYED

Cairo AL-AHRAM in Arabic 13 Apr 80 P 9

/Article by 'Izzat 'Ahd-al-Mun'im: "The Building Materials Shortage- Can It Be Ended?"

/Text/ Building materials supply has come to assume great importance in view of the great role the materials play in solving the housing shortage our country is suffering from. Can the building materials shortage end? Will the building materials and raw materials existing in our country allow housing and development requirements to be met and allow cement, gypsum, glass and the various building accessories needed to solve the housing problem we are experiencing to be provided?

Eng Jalal 'Ali Mustafa, chairman of the board of directors of the General Geological Survey and Mining Projects Authority, says that building materials can be subdivided into two main groups, raw building and ornamental materials, and ready-made building materials and materials fabricated from raw materials. The authority has conducted a survey to look for these raw materials and discover new areas containing adequate reserves of them which can allow for exploitation over the long term and can substitute for areas where raw materials are about to be depleted, in view of the major importance the housing problem possesses.

Ready-made building materials, and those fabricated from raw materials, include the cement industry, which comprises many types, including portland, reinforced, white and ready mix cement and in whose manufacture limestone and mud are used. The authority has conducted searches for the raw materials necessary for cement manufacture and has concluded by discovering reserves of these raw materials estimated at 52 million tons of limestone and 92 million tons of clay reserves which will suffice to meet our cement requirements.

The second ready-made material consists of glass; this is essentially composed of silica sand, which contains a large proportion of silica. A number of coloring materials enter into the manufacture of colored glass. The most important glass sand site is the Bir al-Durj area near Cairo.

Sand from Sinai and Abu al Durj south of Suez is also used in the manufacture of white glass, and there are other types of lower quality in Wadi al-Natrun on which the authority has conducted tests with the objective of improving the types and eliminating their impurities so that they may be fit for glass manufacture. A study was made of a location 100 square kilometers in area, since numerous sand sites, spread out over the republic are evident which contain large amounts of iron whose suitability for glass manufacture is limited. Tests have been carried out on these sands to eliminate elements and minerals which detract from their suitability for glass manufacture. These experiments have been successful in the laboratory, but it will be necessary to carry out other tests on a broader scale before a treatment unit is established in the glass factories. When it is applied, this experiment may be able to provide available new raw materials for glass manufacture.

Raw materials for construction, and decorative materials, include gypsum, sand, pebbles limestone, sandstone, and flagstone. The ore for gypsum, which is used in building and in the cement and paint industry, exists in many areas, most importantly the west coast of the Sinai Peninsula, al-Ballah, al-Manzalah, al-Mu'assarah, Jazan and al-Payyum. It also is present in quantities which have not been exploited in the al-Yarqan area east of the al-Qattarah Depression, and the authority studied ores which have been discovered in the al-'Amir, al-Farbatiyat, and al-Hammam areas of the northwest coast after the suitability of these ores for processing was proved. Reserves of gypsum of the al-'Amir and al-Farbatiyat varieties are estimated at approximately 1<sup>1</sup>/<sub>2</sub> million tons.

Argillaceous rocks, which are used in the manufacture of red brick, ceramic brick and paint, exist in Aswan, Qina, al-Fayyum, east Cairo, Suez, south al-Hammam in Alexandria and Sinai, and the authority has studied the locations of clays in the Nile Valley, south of Suez, and western Sinai, where new locations have been discovered. In addition, the authority has discovered a new source of ore in the al-Kalabishah area of Nubia, whose quantities are estimated at about 16 million tons, and studies have proved the presence of large areas of clay in Suez and south al-Isma'iliyah. We can state that clay reserves in Suez are unlimited, exceeding 100 million tons. We are now carrying out a research on clay for use in clay brick manufacture instead of red clay, in view of the obvious shortage of Nile silt following construction of the High Dam. Deposits of sand, which is used in construction, cover large areas of plains and valleys spread out over the republic, and sand exists in large quantities in the canal area; this is a new type suitable for construction.

Gravel exists in numerous areas and is used in reinforced concrete. The gravel reserves in the western and eastern sections of Wuku' al-Qird and the al-Jawzah al-Hamra' area are estimated at more than 80 million cubic meters. As regards limestone, which is used in construction, cement industries, tile and lime and glass manufacture, the authority has performed a general survey of limestone deposits in the Nile Valley from Aswan to

to Cairo, along the west coast of the Gulf of Suez, and in the Bani Khalid area of the Governorate of al-Minya, and the volume of this stone discovered totals more than 120 million tons.

There is also dolomite in the Abu Ruwash area north of the al Jizah Pyramids, in quantities of 7 million tons, and sandstone in al-Jabal al-Ahmar and Jabal al-Muraqqib. Basalt exists in large quantities in numerous areas, most important of which is Abu Za'bal.

As for decorative stones used in the interior and outer facades of buildings, the tiling of floors and mosaic manufacture, including marble, their most important location is in Wadi al-Niyah east of Idfu and the al-'Asqi and Umbarkah areas in Old Nubia.

11687

CSO: 4802



# PEOPLE'S ASSEMBLY DISCUSSES GOVERNMENT HOUSING PLAN

Cairo AL-AHRAM in Arabic 16 Apr 80 p 6

/Article by Fu'ad Sa'd and Mahmud Mu'awwad: "People's Assembly Members Demand That All Government Resources Be Mobilized To Solve Housing Shortage"/

/Text/ A broad discussion took place in the People's Assembly yesterday on the housing shortage. The members really managed to express the volume of the problem, which has come to affect every citizen, and courageously defended the right of every family to own a suitable dwelling at prices in keeping with their incomes.

Mahmud Abu Wafiyah described the housing problem as "the mother of problems" in Egypt. Sayyid Zaki proposed the formation of a national committee in which the armed forces would take part and which would graduate new generations of workers skilled in construction and building activities. The star of the session, without dispute, was Dr Mustafa al-Said, who, in his capacity as a professor of economics, presented a splendid economic study on the dimension of the problem up to 2000 which earned the applause of all assembly members.

The session started with the completion of the presentation by Dr Mustafa al-Hifnawi, minister of housing, on the aspects of the plan. He talked about building and financing, available resources, legislation and labor. He stated that it was necessary to develop the agencies serving in the construction sector, which bore the responsibility for 50 percent of the economic installations, and that the plan concentrated on supporting public sector companies operating alongside private sector companies and companies established in accordance with the Investment Law in this sector.

He said that the ministry had agreed to the establishment of 80 new contracting companies, that the government realized that the major burden concerning investments in the housing field lay on its shoulders since as was well known the profitability of this sector was limited, and that the ministry was now intending to correct the course of companies suffering from a shortage of liquidity and labor.

The minister declared that the costs of the investments listed in the plan came to 7,348,000,000 pounds for the construction of 675,000 housing units and that provision has been made for the attainment of balance among the various sectors of the government; costs of construction and services in the first year of the plan have been estimated at 530 million pounds, in addition to grants and aid; this also includes loans.

The minister talked about current housing legislation and said, "We are trying to resolve the difficult equation concerning the costs and price of housing, especially as far as people with limited incomes are concerned. We are thinking of setting forth legislation which will deal with problems of this kind. The government's plan intends to help every citizen obtain an apartment in a manner appropriate to his income."

The minister explained the role of the government concerning types of housing and said, "In low-cost housing, the government will defray the cost of construction and utilities; the cost of the construction will be paid at cost in instalments without interest over a 30-year period in accordance with reasonable prices. The government will also subsidize average housing to the extent of defraying the land and utilities at an interest rate of 3 percent per year to be paid back over 30 years, with the type to be determined by the surface area."

After that, the door was opened to discussion by the members.

Faydah Kamil said,

"The housing issue is an important national one; by solving this problem, we will be preserving the humanity of the Egyptian people, especially in common areas where states of collapse are increasing with every day, causing many families to live in tents and mosques. Recently, projects have been started for lodgings; this is a great act for which we thank the government because it has protected many families and provided them with relative stability."

She wondered about the reasons for the rise in the cost of one-room lodgings, since cost reports showed that the price was set at 3,000 pounds. She demanded that the common housing issue be solved, in order to preserve the dignity of the family and the moral values of the individual, by arranging low-cost housing to consist of no less than two bedrooms and a livingroom for these people.

Mahmud Abu Wafiyah said that the volume of the housing problem was abnormal and that the solutions to it had to be revolutionary ones. He recommended that the problem be solved by limiting the drain of villagers to the cities, by solving the problem of the concentration of ministries in Cairo, and by transferring non-sovereign ministries to the governorates.

He said "Housing laws are contradictory and they must therefore be reviewed in a manner which will give the private sector job and construction opportunities and open up movement toward the desert so that towns may be built there. There are many villages in the desert which can be transformed into towns possessing ministries and some government authorities."

He demanded that a review be made of deeding policy now that this has turned into trafficking in housing, which is not a solution to the housing shortage. He wondered, "Who among the assembly members or ministers can buy any of these apartments, which are all being sold today at fantastic prices?"

#### A Tax on Luxury Housing

Hilmi 'Abd-al-Akhir, minister of People's Assembly affairs, arose and stated, "Our brother Abu Wafiyah deserves thanks for what he has said, and the National Party is presenting legislation to impose taxes on luxury housing; this tax will be allocated to common housing."

Dr Suhayr al-Qalamawi said, "Societies involved in housing obtain many benefits, but there is no adequate ministry surveillance over them. The deeding rates are rising uncontrollably and many fantastic projects are being seriously evaluated." She demanded that the Ministry of Housing take part in surveillance over this situation so that it would be possible to contribute to a solution to the housing problem realistically.

Ahmad Abu Zayd Tantawi said, "The government must deal with the problem of the rise in the groundwater table, which has started to threaten buildings which have been erected and to cause the destruction of many buildings." He wondered about the fate of the \$150 million given by America as a grant for dealing with the problem in the rise of the groundwater table and said that the basis for dealing with this problem was to improve means of sanitary drainage so that water would not seep underground and threaten the buildings with collapse.

'Ali al-Zaqm pointed out that the government would never be able to solve the housing problem by itself and that it was therefore necessary to encourage the private sector to solve this problem by providing it with construction materials at a subsidized price and eliminating the problem of red tape which often obstructs private sector activity.

Dr Ahmad 'Izzat stressed the importance of overcoming the housing problem in realizing safety and security for the citizens. He said, "There are thousands of families in Alexandria living in the mosques and streets because they cannot find a place in which to lodge themselves, since their homes have been demolished. We have 10,000 cases of administrative eviction, cases of new marriages and social cases which also total 10,000. At the present rate the problem will not be solved in 10 years, and we cannot allow ourselves to represent citizens who are living as refugees in their own country."

Sayyid Zaki said, "The citizen needs an apartment of some kind at a reasonable price; what was said in parliament 15 years ago is being said today, while the people are amazed and wonder what the solution is.

"In the belief that the government alone will not be able to solve the problem and that it is necessary to participate with it in a manner which will achieve the goal, I recommend that the government give land free of charge or at a token price to anyone who wants to build low-cost housing for himself.

I also recommend that a national committee be formed in which the armed forces will participate and which would train workers in building and construction."

Mustafaz Nassar said, "This shortage started in 1941 and it has been helped by the legislation which has been issued since, starting with the military orders. I believe that the confrontation must be revolutionary and profound. In the minister of housing's solutions I see things which will achieve the goal, but he must tell us whether or not it is possible to implement them, because in the past it has been traditional to have many statements which do not find their way into the realm of execution."

Jabril Muhammad said, "We need to have 1,500 /sic/ housing units built every year, and the minister did not talk about the replacement and renovation plan in his statement. He said that he had presented the assembly a draft which would provide resources for this problem and eliminate congestion in the cities by using armed forces camps in which to house citizens."

The National Plan Is Optimistic!

Dr Mustafa al-Said said, "The minister's statement was thorough, and we thank the government for its policy of solving the housing problem. The housing is a national issue which cannot be discussed just from a party angle." He said, "Housing is the result of long accumulated legacies over many years whose roots go back more than a quarter century. To solve them, the discussion must embrace transportation, communications and many other sectors of government economic activity."

He asserted, "The housing policy plan is excessively optimistic. It is a matter which contradicts reality. For example, the plan estimates housing requirements up to 2000 at a very low level while studies by scientific institutes have stressed that they are double what the ministry has mentioned. Also, the plan, in its estimate of financing requirements, has not taken account of the price inflation which has been taking place, estimating the cost increase of a housing unit at only about 3 percent whereas the reality of the case is that the rate of increase is very much in excess of that, perhaps 50 percent."



He said, "It is excessively optimistic also for the ministry to have estimated the possibility of completion at 90 percent; rather, going back to the facts, we find that the ministry has not been able to complete more than 25 percent of its plan. These are all government figures which have been prepared by the Academy of Scientific Research."

He said, "In spite of this plan's excessive optimism, it will not be able to solve the problem by 2000; what, then, is the solution? We must direct our attention to two things: solving the housing problem in a national manner linked with various aspects of the national economy, the interest rate and matters of inflation, and distribution of the tax burden. The confrontation must be on all levels and, if it is necessary that the private sector participate, it will be necessary that the government provide all resources in the form of legislation so that we can cope with demand, which is outstripping supply. Otherwise, the issue of temporary use will remain unresolved, to the benefit of some and the expense of the overwhelming majority."

Hamdi Ahmad (Labor Party) said, "The housing problem is a national one, one of morality and conduct, which is much more serious than the language of figures and legislation. The housing problem does not just involve housing but also utilities (water, sewers, and electricity), and dealing with all this is a matter of morality and conduct. If every facility used water in the optimum way it would be possible to prevent much water loss. Legislation is necessary to control conduct within houses and in government organizations lest other people come and place blame on the government. The National Party must go into the streets and educate the people about proper conduct."

Ulfat Kamil (Liberal Party) said, "We have talked a great deal since the sixties about the housing problem; unfortunately the problem has not been solved yet. Today we find a very nice national study in front of us which, if we apply it, could solve the problem in its entirety. However, will the ministry guarantee the stabilization of building materials prices up to 2000? Prices have risen greatly, by 800 percent. Therefore I request that construction materials be stabilized, as is the case with bread-discs. An investigation must also be made into substitutes for red brick, such as clay brick, especially since the raw materials for that are abundantly available in Egypt. It is also necessary to supply cement, iron and all building materials. Through all this, we can provide the means to construct the buildings to solve the housing shortage."

Dr. Zaynab al-Sabki called on the government to impose a tax on luxury housing ranging from 5 to 10 percent to the benefit of common housing. She recommended that average and above-average housing be kept free for a period ranging from 5 to 7 years, after which the rental committee could intervene nonretroactively.



Mustafa Ghubashi said, "There is the problem of a failure to hook utilities up to various subdivisions. I consider that as long as these buildings have been built, the government must provide them with utilities because they constitute a sort of contribution to solving the problem. From the beginning, the government ought to have determined the responsibility for lands trespassed against and legislation must be reviewed in a manner consonant with this problem.

'Atiyah Abu Sari' recommended, "Agreement should not be given to forming housing societies until it is ascertained within a specific period that proper conditions for construction in terms of land, utilities and the ability to construct exist. I also recommend that a tax be imposed on lands which are not used."

Rif'at Batal pointed out "As to the process of taking over large agricultural areas in al Zawiya al-Hamra', which have been supplying Cairo vegetables, the housing established in this area should have been built in desert areas."

Hasan Hafiz said, "The government's responsibility must now be directed toward lodging. Every company must commit itself to a specific proportion of popular housing construction activities and this should be by binding assignment orders." He demanded that all banks contribute to financing the national housing plan.

Nawal 'Amir said, "As far as young newly-married people go, we must provide them with apartments at reasonable prices. There are building on al-Qasr al-'Ayni Street which were built as housing for newly-married people and which it was suddenly declared were to be deeded out at 20,000 pounds per apartment. In whose interest is this? There is Decree 177, issued in opposition to the Local Government Law, which recommends that the system for deeding common housing to citizens be determined, and we have long demanded that implementation of that decree be suspended, since it is in opposition to the law. Nothing has yet been done--in fact, the decree is more fully followed than the law itself, and, as a consequence of this decree, the citizen pays double the price of the apartments. It is as if the government were taking key money in a concealed fashion!"

Ahmad Abu Zayd demanded that a review be made of the system for putting out construction bid tenders, since public sector companies assign their projects to companies which defray bids as administrative costs, increasing the burden on construction prices. He said that he had demanded that all construction materials be exempted from customs and that their prices be subsidized so citizens could get them at reduced prices which would make them accessible.

#### A 100 Percent Realistic Plan

In his followup Dr Muhammad al-Hifnawi, the minister of housing, emphasized what the members had brought up, to the effect that the government gave

special concern to lodging housing and that there was a comprehensive re-planning of towns and housing accumulation areas.

He said that there was absolutely no shortage in building materials and that the owner of any paid-up invoice could immediately submit it, because the building materials were available.

He said that the housing companies were economic units which the government held to account and they were subjected to surveillance and audit like other companies.

The minister said, "This plan is 100 percent realistic, and it emphasizes the philosophy of social integration among citizens in Egypt. The government has no connection with luxury housing, which represents just 2 percent of total investments in Egypt."

He emphasized that the construction sector in Egypt was capable of carrying out this ambitious plan, if the resources, means of financing and building materials were made available to it.

At the conclusion of the discussion, the assembly agreed to transfer the minister's statement and the members' discussions to the Housing Committee for study and for preparation of a report which would be presented to the assembly at its next sessions.

The assembly will resume its meetings this 26 April.

11887

CSO: 4802

## BRIEFS

NEW HOUSING, HOSPITAL AID--It has been decided that 500 new housing units in 15 May City in Hilwan will be distributed to citizens during Egypt's celebrations of the corrective revolution. The costs per unit will come to 3,000 to 11,000 pounds; the units will consist of two or four rooms and will be deeded to citizens in long-term instalments at low interest. The first public hospital, containing 150 beds, an oxygen production station, and an electricity generating station, is now being constructed in the city. Costs of constructing the hospital will total 1 million pounds and work on it will be finished in the middle of next year. The distribution of housing lands in Section Three of 10 Ramadan City is also to start next week. Two hundred thousand meters will be allotted for construction of a dairy plant and a soda water plant; work on them will begin in the next 3 months. Discussions are now taking place between the Ministry of Development and the International Cultural and Recreational Organization in the United States to establish a number of cultural, recreational and swimming projects in the seven new cities, with the objective of turning these into areas attracting tourists. Three thousand housing units are to be constructed in the al Musa'idah area near al-'Arish in the North Sinai Governorate, and work on them will start toward the end of the current month. They will accommodate 15,000 residents. /Text/ /Cairo AL-AHRAM in Arabic 20 Apr 80 p 8/ 11887

CSO: 4802

PRICE MOVEMENTS IN BUILDING MATERIALS NOTED

Cairo AL-AHRAM AL-IQTISADI in Arabic 15 Apr 80 p 23

/Article: "Cement and Iron Prices Increase in Summer"/

/Text/ At the beginning of April cement prices were recorded at 68 pounds per ton and reinforcement iron at 410 pounds per ton, as compared with 60 pounds for cement and 390 pounds for iron in February.

Sources state that this type of rise in cement and iron prices is to be considered a natural development of the pickup in building activity, and they expect that prices will register further increases as the summer months go on.

The forecasts are based on:

The fact that winter months are characterized by stagnation in building construction and the arrival of large quantities of cement contracted for at the end of the summer months. Importers and merchants try to rid themselves of the quantities that reach them at the lowest possible profit to avoid coping with spoilage from moisture and rain, especially since storage areas in the ports and in the facilities of importers are not technically equipped to keep the cement.

In the summer, conditions are completely different. Merchants can keep large reserves of cement on hand and in ordinary storehouses without fear of spoilage. Consequently, we find them supplying cement at the prices and profit levels they set.

Construction activity is brisk in the summer because large numbers of people working abroad return, and at the same time there is great cash liquidity in the market, a large part of which is directed toward construction and housing projects in the form of advance payments on rent and key money. The return of people working abroad is preceded by the preparatory activity of completing housing units for delivery to people reserving them or to buyers coming in from abroad.

The length of the days during the summer plays a role in stimulating construction activity, in contrast with the short winter days.

Demand for iron is affected at the same rate as the demand for cement. The high demand for cement in the summer, as a result of stimulated building activity, is automatically reflected in the rate of demand for iron. The rise in demand automatically means an increase in prices as well, especially when supply is governed by the profits set by the merchants.

11887

CSO: 4802



FIVE-YEAR HOUSING PLAN EXAMINED, DISCUSSED

Cairo AL-AKHBAR in Arabic 14 Apr 80 pp 3, 11

/Article: "The National Housing Plan before the People's Assembly and the Council of Ministers: 670,000 Housing Units To Be Built in 5 Years"/

/Text/ The National Housing Committee has finished preparing its comprehensive report on the housing problem. The report contains all diverse aspects of the problem and measures and steps to solve it radically. Dr Mustafa al-Hifnawi, minister of housing, presented the report by the National Committee, headed by Eng Ibrahim Najib, to the Council of Ministers.

At the same time, the People's Assembly started a discussion today on the government's plan to solve the housing crisis in accordance with the contents of that report.

AL-AKHBAR is presenting to you the national policy recommended to solve the housing problem, which the Council of Ministers has handed over to the People's Assembly to begin discussing today.

The plan contains the fact that housing, settlement, place of residence, citizen and homeland are words whose meanings are firmly interrelated. Housing means settlement, settlement creates the citizen, and the more the government is concerned with housing and housing services, the more the citizen is linked with his residence and homeland. Therefore, providing suitable housing for all citizens is considered to be a basic thing, an important issue which has political, economic, social and human dimensions.

To stress the government's policy and its planning to overcome and solve this problem, the doctor and prime minister issued Decree 197 for 1979 forming a committee of senior experts and specialists to study the housing problem in the Republic of Egypt and recommend a national policy which will guarantee that it is confronted in accordance with sound scientific methods, in view of the ramifications of the problem. Eight working groups were formed, each one concerned with one aspect of the problem,

and the working groups and main committee submitted their reports. We will herewith present a summary of the conclusions of their study.

### The Causes of the Problem

The most important causes of the problem may be summarized in the following influential factors:

The high rates of population growth; the annual growth rate came to 2.31 percent in the 1966-76 period, and, if current rates continue, the republic's population will reach about 62.2 million in 2000, whereas, if the birth rate drops by 1 per 1,000 per year (this rate in 1976 totalled about 38 per 1,000, as compared with 9 deaths per 1,000) the republic's population will reach only about 56 million.

The lack of proportion in population distribution throughout the republic; the entire population of the republic inhabits less than 4 percent of the area of the republic, and in 1976 the population of urban areas came to about 43.9 percent of the total population of the republic as a consequence of a concentration of economic activities in towns and constant migration from rural areas to towns.

Successive legislation issued in the sphere of housing:

Fixing of the rental price, reduction of the rental price, determination of the relationship between owner and tenant, determination of freedom to move in demolition and construction areas and optimum use of land, as a result of which the private sector refrained from investing in this field.

Determining the volume of investments in the housing sector at a level much lower than annual requirements, which led to an increase in the accumulated deficit.

The lack of construction materials, control over their distribution, and pricing them at uneconomic levels led to a decline in the building materials industry in terms of quality and quantity.

The sudden rise in construction costs in recent years: construction costs per square meter have risen from 7 pounds in 1973 to about 60 pounds in 1980, or more than 800 percent, a rate which far exceeds the average rate of increase of the citizens' incomes in the same period, causing the budgets of limited-income families to be unable to bear the real cost of housing, whether rented or owned, in all cases.

### The Size of the Problem

Statistical studies made on the basis of the data contained in the general census held in November 1976 and the studies previously made by the

Ministry of Housing, various government agencies and foreign entities from which the government considered it proper to seek assistance have shown that the situation is as follows:

The deficit in the number of housing units in November 1976 was estimated at 555,000 units, the added deficit as a consequence of the population increase up to the end of 1980 is estimated at 276,000 units, and the total number of units needed to cope with obsolescence and replacement is estimated at 393,000 by the end of 1980.

Thus the total number of units required up to the end of 1980 will come to 1,224,000, or about 1.2 million, units. Annual requirements in the coming 20 years have been estimated at an average of 120,000 per year, including those for coping with replacement--that is, the number of units required to keep up with new annual requirements in the next 20 years is estimated at 2.4 million, and the total required by 2000, which is the existing deficit (estimated at about 1.2 million units) plus new requirements (totalling 2.4 million units) will come to a total estimated requirement by 2000 of 3.6 million units.

It is worth pointing out that it is not necessary that the solution to the problem last the entire period to 2000. The following alternatives exist: 1.8 million units by the end of 1985, 2.4 million units by the end of 1990, or 3 million units by the end of 1995.

According to the recommended policy, it has been considered that there is an urgent housing plan for 1979 and 1980 which will freeze the problem and that a start will immediately be made on constructing integrated housing complexes for low cost and average housing levels in areas near population agglomerations served by or near essential facilities, provided that 5-year plans and programs be set out which will be implemented in the period 1981-2000. Provision has been made for these plans and programs to start in 1981, in order to provide an opportunity to prepare to bear the burdens required in the first 5-year plan, for 1981-85, by preparing the terrain and the essential services required for it to bolster the construction and building materials sector and other activities related to the housing question.

#### The Urgent Plan (1979-80)

This plan involves:

1. An immediate start on implementation of urgent low-cost and average housing program through the construction of housing complexes close to population agglomerations served by facilities.
2. Concentration on and completion of housing projects on which construction has started.

3. The need to use an advanced construction design which will bring about savings in costs and guarantee speed in execution.
4. Guaranteeing that building materials requirements are provided.
5. Encouraging the construction of higher floors in buildings which can be raised.
6. Striving to start immediately to provide land for building in areas of integrated population complexes in adjacent desert lands which can easily be provided with utilities.
7. The need to improve housing designs in a manner whereby the surface area will enjoy a high use capacity.
8. The need to devote attention to manufacturing low-cost types of furniture which will offer beauty in furnishing, simplicity and strength.
9. An immediate start on preparation of the ground for projects in the first stage of the plan and the prompt provision of utilities and planting of trees so that the trees may rise as construction rises.
10. Followup on programs to consolidate and construct building materials production plants.
11. Constant development and consolidation of the construction agency and payment of debts owed to it.

#### The National Plan

The proposed plan has been set out with the goal of meeting housing requirements in accordance with 5-year plans to be carried out in the 1981-85 period.

In this plan, provision has been made for a gradual year-by-year increase, in a manner consonant with forecasted construction sector capacity, high capabilities, building material output and labor availability. In this breakdown, provision has also been made to cope with all requirements in order to meet the population increase as well as the gradual depreciation of old accumulations, so that the general public can perceive noticeable improvement with each successive year.

#### The 5-Year Programs

The 5-year programs include the construction of 3.6 million housing units over four stages embracing: 675,000 housing units in the first program, during the years 1981-5.

675,000 housing units in the second program, during the years 1986-90.

One million housing units in the third program, during the years 1991-95.

1.05 million housing units in the fourth program, during the years 1996-2000.

#### The Plan in the Event of a Reduction in Births

The plan involves only 2,749,000 housing units up to 2000, on the assumption that the birth rate will drop by one per 1,000 per year and that the volume of accumulated stock and replacement will remain constant; the plan is as follows:

675,000 housing units in the first plan, during the years 1981-85

685,000 housing units in the second program, during the years 1996-90.

690,000 housing units in the third program, during the years 1991-95.

699,000 housing units in the fourth program, during the years 1996-2000.

The distribution of units in the first program, 1981-85, will be as follows:

In 1981, 110,000 units will be built, in 1982, 125,000 units, in 1983, 135,000 units, in 1984, 145,000 units, in 1985, 160,000 units. Consequently, the total housing units constructed by the end of 1985 will come to 675,000.

#### Determination of Surface areas for Housing Units

The studies have arrived at a determination of appropriate surface areas in accordance with income classes in the society and recommend the policy proposed for the following surface areas:

Low-cost /class/ A, 20 percent, surface area of 45 square meters per unit.

Low-cost /class/ B, 35 percent, surface area of 50 square meters per unit.

Average /class/ A, 25 percent, surface area of 70 square meters per unit.

Average /class/ B, 12 percent, surface area of 80 square meters per unit.

Above-average /class/ B, 2 percent, surface area of 120 and above per unit.

#### 160,000 Units Next Year

The committee has also made an estimate concerning service buildings for every 1,000 housing units at last year's prices, as follows: a 20-class primary school will cost 120,000 pounds, a mosque will cost 72,000 pounds, recreation buildings and vocational and commercial shops will cost 112,000



pounds, major central services will cost 204,000 pounds, and, considering that these services will be constructed for about 60 percent of the housing units, they will require 40,128,000 pounds in 1981.

#### Prices at Apartments in the Plan

National housing policy has determined the costs of housing units to be built and has broken them down into six categories. The first, low-cost A, will constitute 20 percent of the plan; the number of units will total 22,000; the average unit will cover 45 square kilometers and will cost 2,061 pounds. The second category, low-cost B, will constitute 35 percent of the plan--that is, the number of units will be 38,500, with an average area of 50 square meters per unit, which will cost 2,650 pounds. The third category, average A, will constitute 25 percent /of the plan/ and the number of units will come to 27,500, the area per unit totalling 70 square meters at a cost of 4,130 /line missing/ 13,200 units in number, with an area of 80 square meters per unit and a cost of 5,160 pounds. Above-average A will constitute 6 percent /of the plan/ and will total 6,600 units in number, with an area of 100 square meters per unit, which will cost 7,000 pounds. Above-average B will constitute 2 percent /of the plan/ the number of units in that class will be 2,200 in the plan, with an area of 120 square meters per unit, which will cost 9,000 pounds.

Total costs of the housing units will come to 454,312,000 pounds. The service buildings for these units will cost 40,128,000 pounds, with 7.5 percent added to this cost to meet increases in prices. The cost of constructing 110,000 units, with services, will come to 530 million pounds.

The costs for the 5 years of the plan up to 1985, including services, will total 3.25 billion pounds.

To carry out the national plan it will be necessary to provide the following basic elements:

1. The necessary land.
2. Public utilities to serve this amount of housing.
3. A construction system capable of carrying out the plan.
4. The necessary building materials.
5. The financing required to meet costs.

The requirements for each of these, by themselves, have been estimated as follows:

Land: assuming an average population density of 25 housing units per feddan, or 125 people per feddan, the total land required by 2000 will be 144,000 feddans.

Acquiring this land will require that all available resources be used and that rapid action be taken in the following spheres:

1. Land within the built-up agglomerations in the governorates.
2. The built-up extensions planned around the main towns.
3. New towns.

The lands are being selected in accordance with well-known planning principles and bases.

It has been possible to determine areas fit for construction in the cities for which planning is being made, namely, the Greater Cairo region, the Alexandria region, the town of Suez, al-Ismailiyah, Port Said, Bani Suwayf, Samunnud, and Asyut; these areas total about 38,190 feddans.

In addition, the opinions have reached the consensus that it is necessary to use the lands of the new towns which are to be built, namely, the towns of 10 Ramadan, 15 May (Hilwan), al-Sadat City, the town of al-'Amiriyah, al-'Ubur City, and 6 October; the surface area of the land in these towns will come to about 27,650 feddans.

The total lands which have been tabulated come to about 65,840 feddans; this will be enough to absorb about 1.6 million housing units. The remaining requirements will come to about 78,160 feddans; these will have to be provided outside the valley.

It is worth mentioning that the first 5-year plan requirements will total 27,000 feddans; 11,010 feddans may be provided in existing towns mentioned above, and it will be possible to provide 7,200 feddans in the new towns. The total available for the first 5-year plan will be 18,210 feddans; thus it will be necessary to round out the land required for the first 5-year plan with about 8,740 feddans, which can be provided in the other governorates and in new axes created outside the valley.

#### Costs of Utilities

The costs of public utilities and requirements have been estimated in accordance with an estimate on the land areas required for the plan, their sites and population density, on the assumption that 75 percent, the equivalent of 20,250 feddans of the area required, lie within existing built-up areas with a population density of 140 people per feddan, or a total population of 2.83 million, and that 25 percent, or the equivalent of 6,750 feddans, of the requisite area, lies in the new towns, with a density of 80 people per feddan, or a total population of 540,000.

An estimate has been made of the costs of the data received from the agencies responsible for drinking water, sanitary drainage, roads, electricity, telephones, and transportation. Per capita costs total 720 pounds in the new towns and 360 pounds in the built-up extensions within the population agglomerations; thus total costs come to 1.41 billion pounds.

In addition to the costs required to meet the existing deficit in water, sanitary drainage and electricity alone--leaving out telephones, sanitary drainage and transportation, which come to 1,034,000,000 pounds--total costs come to 2,444,000,000 pounds.

According to a study on construction resources, costs have dropped by 10 percent; thus total costs are about 2.2 billion pounds.

Regarding the costs of utilities in the 1982-2000 national plan, considering an increase in requirements for telephones, total per capita costs for utilities in the extensions will total 460 instead of 360 pounds, according to the authority's plan. On the basis of the foregoing, total costs of utilities (excluding the current deficit in telephones, roads and transportation) for the years 1986-2000 will be about 7.34 billion pounds.

Thus the total direct costs of the utilities plan and the costs of compensating for the deficit in water, sanitary drainage and electricity will be 9,784,000,000 pounds.

#### The Construction Sector

The volume of construction, including housing, will absorb 40 to 45 percent of total plan investments; this in itself illustrates the extent to which the capability of the construction sector will influence the economic and social development plans. The volume of construction in 1979 came to about 1 billion pounds, 255 million of which were for housing; the committee has estimated that the volume of construction in 1981 will reach 1.23 billion pounds, of which 770 million will be for housing.

To make it possible to meet the demands of the first 5-year housing plan (675,000 units), the volume of investment in housing will be double the housing foreseen in 1979, which explains the importance of taking the initiative and accelerating support for the construction sector during the remaining portion of 1980 and after. Housing policy is also aimed at developing the role of the private and joint sectors so that they will bring about implementation of 75 percent of the housing projects by the end of the 1981-85 plan.

As far as skilled construction labor goes, the number of workers now totals about 250,000; it is necessary that this increase to 660,000 by 1985.

As far as equipment goes, it is proposed that 600 million pounds be allocated to develop and consolidate it during the years of the 1981-85 plan, provided that the plan start with about 100 million pounds in 1981. The construction sector must also be developed to cope with the plan by reorganizing the companies, creating balance and equal opportunities in

granting jobs, encouraging the private sector, developing performance, and raising productive capacity, while concentrating on mechanization.

In order to estimate the volume of building materials needed, requirements have been estimated by estimating the volumes required for every 100 square meters of housing and service buildings; these figures have been applied to surface areas and the numbers of buildings previously provided for in the first 5-year plan. The major amounts required for implementation of the plan in 1981 have been estimated at about 2,644,000 cubic meters of gravel, 2,975,000 cubic meters of sand, 1,322,000 tons of cement, 102,000 tons of reinforcement iron, and 594 million bricks. This will rise gradually during the years of the plan to 3,848,000 cubic meters of gravel, 4.33 million cubic meters of sand, 1,924,000 tons of cement, 221 million tons of reinforcement iron and 866 million bricks in 1985.

There is no doubt that current local production of such major materials as iron, cement and bricks falls short of the demand for them. Therefore the situation requires that production be developed in the manner proposed in detail in the sectoral report in order to raise production to make it capable of meeting demand.

The housing problem, in all its dimensions, is considered part of the economic problem; in spite of that, revenues are considered among the basic factors limiting the potential for implementing the plan. In order for it to be possible to achieve a balance in production on an economic level, the situation requires that housing's share of these revenues be determined in a manner which will not result in a disruption of this balance.

According to the studies prepared in this regard, local revenues available for investment in this sphere total 3,286,000,000 pounds; total investment requirements in all fields of housing are estimated at 7,348,000,000 pounds during the plan years 1981-85; thus, the deficit is about 4,062,000,000 pounds. It is recommended that this be made up in the following manner:

A. Local resources: additional savings, 500 million pounds, and economic savings, 700 million pounds, for a total of 1.2 billion pounds.

B. Foreign resources: foreign aid, 1.9 billion pounds, and loans and facilities, 960 million pounds, for a total of 2.86 billion pounds. The grand total will come to 4.06 billion pounds of financing.

#### Recommended Solutions for Implementation of the Plan

The study the committee prepared included numerous recommendations and proposed policies for implementation of the plan, of which we might cite the most important, as follows:

In the field of housing and construction planning, the committee recommends that family planning and population redistribution programs be encouraged



in accordance with the resources available and that construction be oriented toward the desert to preserve agricultural land and create new construction axes.

Development of housing patterns and compositions and use of model units in design.

Pricing of land in accordance with the types of land use and the anticipated revenue from the land, while setting forth building conditions in a specific time period, setting out restrictions on the resale of purchased land, and encouraging landowners to build on their properties.

As regards utilities, it will be necessary to adopt the necessary measures to limit lost water, rely on purified groundwater for irrigation activities and use solar and nuclear energy in various fields.

As far as the construction sector goes, it will be necessary to organize contracting firms throughout the sector and in the context of the economic unit, settle their debts and encourage the formation of joint companies in the contracting field.

As far as construction materials go, it is necessary to set out a plan to define production and distribution and import major materials in the light of available materials and demand, taking into consideration consumption centers and locations where necessary raw materials are situated in order to reduce transport costs. It is also recommended that existing furnaces which are still contributing to cement production at the present time not be scrapped as long as local production costs in these furnaces are below import prices.

In the field of project financing, the committee recommends that methods of issuing housing bonds be developed while interest rates rise so that they may constantly keep abreast of current prices, and that an effort be made to raise the competence of revenue management and coordinate production of commodity requirements and the stage by stage needs of the plan. Meanwhile, some lands should be allocated by the government free of charge or for a use fee for long periods to investors who want to establish low-cost housing, construction should be encouraged in the low-cost and common housing sector, and this should be given top priority, in addition to encouragement of savings oriented toward housing.

All legislation regulating construction, housing and land and the amendments connected to it and complementing it, have been tabulated and reviewed with the objective of eliminating the obstacles preventing the private sector from investing its funds in the construction and housing field and providing the requisite lands, utilities and construction materials and other necessities. The means to this end have not been to recommend more



restrictive legislation but to abrogate such existing legislation, in order to prepare a suitable climate so that as much benefit may be derived as possible from many people's inclination to own real estate in a manner which will effectively contribute to cope with the problem without infringing on the rights and orderly life of citizens.

11887

CSO: 4802

## PEOPLE'S ASSEMBLY DISCUSSES NATIONAL HOUSING PLAN

Cairo AL-AKHBAR in Arabic 16 Apr 80 p 8

/Article by 'Isa Murehid and Sharif Riyad: "Important Discussions in the People's Assembly on the Housing Problems and the National Plan To Solve It"/

/Text/ Yesterday the People's Assembly continued its discussion on the housing problem and the national plan to solve it. Objective debates took place in which 20 members took part. In their discussions, the members rose to the level of responsibility as they presented their recommendations to the minister of housing. The members requested that the private sector be encouraged to build, that land be provided at token prices, and that the land be provided with facilities, in exchange for which the private sector would be compelled to construct cheap and medium-cost housing. The members also requested that the policy of deeding housing be reviewed, along with housing legislation, in a manner guaranteeing that rents between landowner and tenant be stabilized, that migration to the governorate capitals be limited, that non-sovereign ministries, departments and government authorities be moved outside Cairo, that surveillance over cooperative housing societies be intensified to limit inflation, and that a national construction activity training center be established.

Dr Mustafa al-Hifnawi, minister of housing, finished describing the features of the national plan to solve the housing problem and provide the citizens with suitable housing. He declared that the government would continue to defray the main burden of providing low- and medium-cost housing and that the 5-year plan envisioned the construction of 675,000 housing units up to 1985 at an investment of 7,348,000,000 pounds.

The minister stated that the government is aware of and appreciates the problem of rents in old dwellings but that to increase rents now would be an unquestionable burden which citizens, especially those with limited incomes, would not be able to bear. He said that the most important distinguishing feature of the national plan was that it was realistic and that more than 130 experts from all sectors had contributed to preparing it.

Participating in the discussions, which lasted three sessions going on for more than 15 hours, were 36 members. Exchanging the chairmanship of yesterday's session were Dr Sufi Abu Talib and Muhammad Rashvan, the assembly's deputy chairman. At the end of the session, the council decided to move the discussions and the minister's followup on his statements to the Housing Committee to study and prepare a report which it would present to the assembly at its coming sessions.

#### Details of the Session

At the beginning of the session, Dr Mustafa al-Hifnawi, minister of housing, continued describing the main features of the national housing plan and his ministries' policy for solving the problem. One of the most important points he announced was that the government would continue to defray the major burden of providing low- and medium-cost housing: "We have started to rectify the economic performance of contracting firms and to solve the problems of their indebtedness and cash liquidity, and the government is encouraging the private sector and the contracting firms which have been established in accordance with the Investment Law. So far we have agreed to the establishment of 80 companies which will work alongside public sector contracting firms to solve the housing problem, because the private sector is able to participate effectively. Had we allowed matters to be unrestricted for a number of years, there would be no housing problem today."

#### Housing Savings

The minister announced, "The plan aims at the construction of 675,000 housing units per year during the next 5 years, up to 1985; the requisite investment for this has been estimated at 7,348,000,000 pounds. We are encouraging housing savings through housing certificates and housing savings booklets and hope that the volume of housing savings in the next 5 years will come to 500 million pounds."

#### An Inevitable Burden

Regarding the points raised on increasing rents in old dwellings, the minister said, "We are convinced that people who own these dwellings are oppressed, but this is something which is over and done with. To increase rents now would be an unquestional burden on the people occupying these dwellings. It is very difficult for citizens, especially those with limited incomes, to bear the burden."

#### Housing Loans

The minister said that the government was providing housing loans, which are given to the governorates and distributed to housing funds.

Then the discussions began. The floor was first given to those who had presented questions and requests for enlightenment. The first speaker was Fayidah Kamil (National Party), who said, "The president has requested that legal, suitable housing be provided which will preserve the humanity and dignity of Egyptians. The government's efforts in housing have faced collapse of people's buildings and the construction of apartments to house them, especially the inhabitants of common sections." She demanded that Decree 110 bearing on the deeding of low-cost housing be amended in a manner appropriate to the masses' needs and income levels, that joint housing for families be eliminated, that the policy of deeding housing be reviewed and that the burden on people with limited incomes be reduced.

#### Justice in Rents

Mahmud Abu Wafiyah (Independent) stated that the extent of the housing problem is abnormal and that the solutions proposed must therefore be revolutionary, not ordinary. He recommended that migration to governorate capitals be limited; that residence procedures in the capitals be regularized; that the presence of ministries, departments and authorities in Cairo be reviewed; that sovereign ministries be kept in Cairo; that other, non-sovereign ministries be distributed throughout the governorates, along with authorities and departments; that citizens building luxury housing be compelled to build common housing for people with limited incomes; that building permits be issued only after agreement is given to this condition; that conflicting housing laws be reviewed; that these laws be amended in a manner which will guarantee that the housing problem is solved; that the private sector be encouraged to construct housing; that deeding policy be reviewed since it has become an obstacle to a solution of the housing shortage; that deeding for an apartment be just for a period and that a specific percentage be set for every property for sale; that all housing laws be reviewed in order to achieve justice for all citizens; that a new housing law be prepared which will ensure that tenants are protected; that construction incentives be created, and that justice in rents be established among all people.

#### Taxes on Luxury Housing

Counsellor Hilmi 'Abd-al-Akhir, minister for People's Assembly affairs, said, "I thank our colleague Mahmud Abu Wafiyah for his demand that justice be established in rents and I announce that the National Party is presenting legislation to impose taxes on luxury housing, provided that the yield from the taxes be allotted to a fund to subsidize common housing."

#### Housing Construction Societies

'Ali al-Zaqr (National Party) demanded that construction materials be provided at subsidized prices for the private sector, which should be compelled to build economic and medium-cost housing, that surveillance over housing construction societies be intensified and that housing legislation be modified in a manner guaranteeing that building construction be encouraged.

Ahmad 'Izzat (National Party) stressed that it was necessary to intensify surveillance over housing construction societies, impose taxes on owners of houses which are being demolished and expropriate the properties of societies which speculate in carrying out their commitments vis-a-vis citizens on the construction of housing.

#### Encouragement of the Private Sector

Sayyid Zaki, chairman of the Local Government and Popular Organizations Committee, said, "The citizens' problems are the construction of sanitary low-cost and common apartments at suitable rents and all the recommendations and solutions proclaimed by the deputies here, along with the establishment of a national construction activity training authority and the provision of trained technical labor, have been recorded in the assembly's proceedings for 15 years and the people are listening, but for how much longer?

#### Judicial Committees To Distribute Apartments

Mumtaz Nassar (independent) stated that the housing problem was the legacy of all governments since 1941 and that it was a national problem where all efforts must be combined in order that practical solutions in implementation may be found for them, housing may be distributed to citizens by judicial committees to ensure impartiality in the consignment of housing, and emphasis may be placed on cooperative and common housing.

#### Transfer of Armed Forces Camps

Jibril Muhammad Husayn (National Party) demanded that bold steps be taken to solve the housing shortage, supply land equipped with utilities and give this to the private sector so that it could construct low-cost housing on the land, that cemeteries be moved outside towns and governorate capitals, along with armed forces camps, and that these be used for the construction of low-cost and common housing.

#### The Plan and Optimism!

Then Dr Mustafa al-Sa'id (National Party) spoke, stating, "There are basic issues which we must define when discussing the subject of housing. The first is that this is a national problem; therefore we must discuss it objectively. The second is that the roots of this problem go back more than a quarter century. The third is that the solution to this problem is connected with other sectors and the economic activity of the government. The Ministry of Housing plan presented to us is excessively optimistic and is not consistent with reality. The plan states that our requirements in the next 5 years will total 3.6 million units, while scientific studies which scientific institutes have carried out estimate the requirements at 5.6 million units. As for financing requirements, also, the plan has estimated these at an annual increase of just 3 percent while in reality they are much greater than that."



He said, "It has not happened in the economic history of any country in the world that the national product growth rate has reached 12.5 percent, as stated in our calculations; this also is excessive optimism. In accordance with the flow of foreign money into Egypt in past years, I can state that it will not be possible to obtain the volume of foreign investments they have estimated in the next 5 years. As far as performance capability goes, the ministry has estimated that at 90 percent of the stipulated level, but, reviewing the construction rate in the past 3 years, we find that that this not exceeded 50 percent--and these are figures issued by the government."

#### Where Is the Housing Bank?

Dr Mustafa al-Sa'id went on to say, "In the light of this, I say that the Ministry of Housing is excessively optimistic. What I want to state now is that the subject is more difficult than the minister of housing wanted to portray it. As regards the issue of distributing housing to sectors of the society as a whole, there is no doubt that a solution has not yet been found to the problem of graduates who certainly have the right to obtain reasonable housing at reasonable rent. We heard about the Housing Bank, then it disappeared. Where is it?

"In spite of this optimism, this plan will not succeed in solving the problem by 2000, because of our increasing needs in the 15 years following the 5 year plan. Solving the housing problem does not depend on the housing minister--rather, it is related to a number of issues, including the interest rate and the rate of inflation."

#### Water Consumption

Hamdi Ahmad (Labor Party) then spoke, stating that the housing problem was a national problem, one of morality and conduct, and he demanded that water consumption in government departments, schools, mosques and homes be controlled. He demanded that individuals not be permitted more than one apartment for themselves and their families.

Ulfat Kamil (Liberal Party) demanded that construction materials prices be stabilized, that the policy of deeding dwellings be reviewed and that housing legislation be amended in a manner guaranteeing that the private sector would be given incentives for housing construction activity.

Zaynab al-Sabki (National Party) demanded that luxury housing be left to supply and demand, completely removed from the government, and that the government collect 5 or 10 percent of the price of the building as a tax to subsidize low-cost housing. She demanded that cooperative housing be encouraged.

#### Housing Societies

'Ztiyah Abu Sari' (National Party) said that there are many housing societies which do not provide a real contribution to solving the housing

shortage; therefore, each society must be granted an opportunity to exploit the lands allotted to it by constructing housing in a period not to exceed 5 years and, if it does not exploit the land, it will be expropriated. No new cooperative housing societies should be formed until their serious intent to build and establish housing is proved, and an annual tax of 5 percent should be imposed on open lands if they are not used for construction.

#### Water and Sewage Utilities

Rif'at Batal (National Party) stressed that it was necessary to prohibit construction on agricultural land, intensify surveillance over contracting firms in low-cost and common housing construction, provide construction materials and transfer jurisdiction over the two water and sanitary drainage utilities to local administration instead of the Ministry of Housing.

#### Government Buildings

Hasan Hafiz (National Party) demanded that permits for government buildings inside Cairo be limited, that all contracting companies devote a share of their construction to low-cost and common housing, that Egyptian banks contribute to financing the housing plan and that all necessary financial credits be given to carry it out and expand common housing construction.

Nawwal 'Amir (National Party) then spoke, concentrating her discussion on young newly-married people. She said, "There are enormous buildings on al-Qasr al-'Ayni Street which young people have been waiting for for years and now we are surprised to see that they are being deeded out for 20,000 pounds per apartment."

#### Instalments on Deeding of Houses

She said, "When President al-Sadat requested that low-cost and common housing be deeded to its occupants, he meant that the burden on citizens should be reduced by deeding houses in instalments over 15 years (180 months)."

Ahmad Abu Zayd (National Party) said that it is necessary to provide all facilities to construct low-cost and common housing, to provide building materials, and to specify customs exemptions for construction materials imported from abroad. He demanded that allocations be distributed for Cooperative Authority loans in the governorates.

#### The Council's Decision

Muhammad Rashwan, the deputy chairman of the assembly and chairman of the session, then presented a recommendation that the discussions and the minister of housing's statement be transferred for study to the competent committee and that a report be prepared and presented to the assembly at its next meetings. He said that 36 members had talked so far, 20 in this session and 16 in the previous one. The assembly agreed to this recommendation.

### The Minister's Followup

The minister then followed up on the discussions. He said, "Lodging is a temporary process, after which the citizen is moved to another dwelling. It is not worth mentioning limiting migration to the cities when we are actually planning for it. As far as the shortage of subsidized materials goes, I request that if there are invoices stating that the price of cement has been paid to a cement sales office or the price of iron has been paid to an iron distributing company and that delivery has not been made yet, that they send me these receipts and I will bring the people to account, because there is no construction materials shortage."

The minister declared, "If any governorate wants to construct more housing than the plan has specified, I am ready to provide it with building materials at unsubsidized prices."

"As far as the statements made on excessive optimism go, I state that 130 experts from all sectors contributed to the preparation of this study. I stress that what most characterizes this plan is realism."

He wondered, "Where is the committed private sector? How can you demand that I prepare land and furnish it with utilities, then give it to the private sector at token prices? Who will guarantee me that people will proceed to house people with limited incomes?"

The session was adjourned, to return to meet on Saturday, this 26 April.

11887

CSO: 4802

## NEW GOVERNMENT HOUSING FINANCING REVIEWED

Cairo AKHBAR AL-YAWM in Arabic 5 Apr 80 p 9

/Article by Jamil George: "57 Million Pounds for Low-Cost Housing; Loans for Better-Than-Low-Cost Housing, Factories and Hotels at 3.8 Percent Interest"/

/Text/ Real estate banks have finished completing their plan to help solve the housing shortage. The banks will provide 75 million pounds in loans to the General Construction and Housing Cooperative Authority to relend to societies at low interest. The government will defray the difference between the prevailing interest rate, which is about 11 percent, and the lending rate, which will not exceed 5 percent in the case of low-cost and average housing. Individuals will be able to borrow directly at a low interest rate of 8.5 percent, or below the prevailing interest rate. The first company will be established with the participation of the Egyptian Real Estate Bank, the National Bank and the Reinsurance Company and will assume charge of constructing housing units to be deeded to citizens on easy terms. Next September, construction will begin on the labor housing project in Hilwan; the American Development Authority will contribute about \$80 million to this as a grant.

Dr 'Ali Sabri Yasin, chairman of the board of directors of the Egyptian Real Estate Bank, stated that the bank has provided 50 million pounds in loans to individuals. One condition of the cooperative housing is that the area of the building range from 60 to 90 meters; 5,000 pounds will be disbursed to cooperative society members as a reduced /interest/ loan. If this loan is not adequate, they can supplement the expenses with another individual loan on his own, at an interest rate, however, of 8.5 percent. Thus, the government's policy of extending subsidies to those entitled to them and guaranteeing that cooperative societies do not act in a deviant fashion will be realized. The bank is to pay out an annual return of 7 percent on the deposits paid by individuals, after which the costs are to be paid back at low interest over a period of 25 years following completion of the building.

The bank is making a tour of governorates to expand the establishment of cooperative societies following the allocation of the necessary open space lands.

Dr 'Ali Sabri said that the bank is prepared to offer counsel and respond to citizen's inquiries. Among the new areas of activity is the provision of loans necessary to maintain and preserve existing buildings. Loans for buildings will go up to 5,000 pounds and will be for a minimum of 2,000 pounds. The loans will be paid out within 15 days of completion of documents and will be provided not in one payment but rather as the project advances. The bank chairman requested that low-cost housing be exempted from real estate registration levies in order to shorten procedures and make matters easier for the citizens.

11887

CSO: 4802



GOVERNMENT'S NEW STEPS TO SOLVE HOUSING PROBLEM REVIEWED

Cairo AKHIR SA'AH in Arabic 9 Apr 80 pp 10, 11

/Article by 'Ablah 'Adawi: "The 'Luxury Housing' Tax for Common Housing Construction: What Are the Definitions of Luxury Housing and How Can the Tax Be Assessed?"/

/Text/ President al-Sadat has demanded that a special tax be imposed on luxury housing and manifestations of luxury in the housing field, with the stipulation that the amounts collected be allotted to popular housing for the limited-income masses of the citizenry.

AKHIR SA'AH is raising this issue for discussion, in its belief in the importance and urgency of this step to subsidize common housing and solve the housing problem.

President al-Sadat emphasized to National Party leaders that the special luxury housing tax must include mansions, villas and luxury apartments, because their residents are now paying relatively low rents and must defray a tax on behalf of the rest of the citizens. The president said, "My children and I will be at the head of those defraying this tax." At the Housing Committee of the People's Assembly, we had a meeting with the chairman of the Housing Committee, Eng Husayn 'Uthman; the discussion revolved around the president's statement and the studies the party housing committee had prepared in this regard.

Eng Husayn 'Uthman said, "The Housing Committee has prepared a draft for a comprehensive plan to cope with the housing problem in Egypt. This is basically concentrated on realizing the party's principle of providing housing for every family and making serious progress in the housing problem from the stage of evaluation and definition to the stage of frank, substantial confrontation in accordance with sound scientific bases and realistic scientific methods, while reducing the burdens on the government as much as possible and attracting private capital, savings, and personal possessions to play an effective role in solving the problem in the shortest possible time."

He went on, "In coping with this problem, the party has also given consideration to emphasizing social agreement among all citizens, in accordance with God's Islamic law and the country's constitution, with the objective of having individuals with high incomes help their brothers with low incomes, through taxes imposed on people with luxury housing which would be allotted to people needing common and low-cost housing; this is the practical application of social integration.

"The draft which the Housing Committee of the National Democratic Party has prepared has adopted the policy of social agreement among citizens in all aspects so that above-average, excellent and luxury housing may defray the sums paid out on behalf of common and low-cost housing, in order to lessen the burdens on the government on the one hand and bring about a political and economic balance between classes which do and do not directly have the means to pay, especially since studies have shown that demand for luxury and excellent housing is inflexible and can be used to benefit citizens with low incomes."

#### The Mode of Implementation

How, now, can social agreement in the sphere of housing be implemented or achieved?

Responding to this question, the chairman of the Housing Committee stated "It is necessary that we go into the essential or fundamental details on which the housing draft prepared by competent experts in the party is based. This essence is founded on the following bases: a comprehensive plan to build 3 million housing units in 15 years, at the rate of 200,000 units per year, to cope with the accumulated deficit, provide future annual requirements and cope with the people's various housing requirements, while concentrating on the common and low-cost level for citizens with limited incomes who have long been deprived and providing the necessary land for this each year, which will total 14 million square meters, outside the agricultural area and supplied with the necessary utilities, of course. Luxury and excellent housing, it is stipulated, will defray the costs of the land and the utilities on which the common and low-cost housing structures are based, as a form of social agreement."

Eng Husayn 'Uthman continued, "Similarly, it is necessary to provide the necessary building materials, encourage their production and importation, unify their prices, and orient subsidies only toward common and low-cost housing units actually being built.

"First, however, a start should be made on an urgent plan to prepare 10,000 lodging dwellings in the capital and main cities in order to cope with cases of building collapse, provided that residence in the lodgings be temporary until transfers to appropriate permanent buildings.

In its details, the comprehensive plan to eliminate the housing problem, which includes the construction of 3 million dwellings in 15 years, envisages 30 percent for common housing, or the equivalent of 600,000 housing units, another 30 percent for low-cost housing, 20 percent for average housing, and 20 percent for above-average, excellent or luxury housing; in setting the proportion of above-average housing at 20 percent of the total units constructed attention has been given to having low-cost and common housing make up most of the housing and having the former defray the costs of the utilities and land for low-cost and common housing."

#### Common Housing

What should be the specifications of each of these housing categories--common, low-cost, average, and luxury--if they are to approximate the notion of justice in imposing taxes on some to the benefit of others as closely as possible?

[He said] "The details of the draft the Housing Committee in the party has prepared state that the average area for low-cost housing, per housing unit in housing units consisting of five floors, is 45 meters. Housing costs are estimated on the basis of 1979 prices, or 2,770 pounds, calculated on the basis of worldwide building materials prices. The government is offering subsidies of 1,000 pounds per housing unit for common housing, to be paid as work progresses to the owner, be that an individual, a company or an authority, in order to encourage this type of housing and reduce the costs of the structure, in addition to a building materials subsidy estimated at about 350 pounds per unit immediately upon completion of work or termination. Thus the cost of the apartment will be 1,420 pounds and the rent on a unit of this type of housing will be about 9 pounds per month, assuming that the sum invested in the building by the owner will be paid back in 13 years, in addition to the subsequent increase in the value of the building."

Eng Husayn 'Uthman brought us to the second type of housing, low-cost housing, stating "The draft defines the area of a unit of low-cost housing as 55 square meters in five-story dwellings. The cost of the unit in 1979 prices is estimated at 3,990 /pounds/ calculated on the basis of worldwide building materials costs. The government will give a building materials subsidy estimated at about 550 pounds per unit; thus the cost of the apartment to the owner will be 3,440 pounds. Assuming that the money invested is to be returned in 10 years, the rent will be about 28.7 pounds; the government will help people with limited incomes by giving them monthly financial aid, which will not be paid back, to compensate for the differential between the rent and 30 percent of their incomes. The aid will decrease and be discontinued when the rent drops to 30 percent."

#### Average and Luxury

The chairman of the National Party Housing Committee continued to present the housing specifications as the draft the committee prepared to solve

the housing problem defined them, stating, "The area of the average housing unit will be 70 square meters. The cost per unit is estimated at 6,790 pounds. The government will not provide any type of subsidy or assistance for this kind of housing. However, this housing will benefit from easy terms in land acquisition provided with utilities at cost, and it will benefit from the supply of building materials on the market. The rent for this housing is estimated on the assumption that the cost will be paid back in 10 years.

"The average unit of above-average, excellent or luxury housing will be 100 square meters in area. The government will not offer any subsidies or financial aid for this type either. In exchange for access to land provided with utilities in excellent areas and building materials, and exemption from fixed rents, the committee considers that it is proper to impose annual levies equal to 10 to 30 percent of the rent or sales price on revenues from this type of housing, in the event it is offered for leasing; the money from these levies will be allocated to subsidizing common and low-cost housing."

#### For the First Time - Housing Taxes

Kamal Ibrahim, undersecretary of development, a legal counsellor who has participated in setting out housing laws for more than 20 years, stated, "Imposition of a tax on luxury housing, villas and mansions is to be considered a logical development and a just action--a sort of imposition of social justice which takes from those who can pay and gives to those who cannot. At the same time it is something completely new, something which is happening for the first time in the field of housing. It was not raised previously or put in effect in housing laws enacted before today. All that existed previously were ordinary real estate taxes which applied and were applied to all types of housing, according to rent levels, going by rental values per room, something which had been in existence a long time. But in reality a development has occurred in this matter in a short time: the issue of creating a kind of participation by which the owner of luxury buildings would be compelled to support and uphold common housing was raised; this was what was called housing bonds, where owners who built luxury buildings increased their price over a specific level by buying housing bonds, equal to 10 percent of the cost of the buildings they constructed. These bonds had large annual investment interest rates which made them beneficial for those who owned them at the same time they contributed to solving the housing problem, as common housing was built from the receipts of these bonds after they were collected in a special fund for this purpose. However, the new development which President al-Sadat has declared in imposing taxes on luxury housing, villas and mansions did not exist before and is considered a leap forward in affirming and supporting social justice. I can state, from my position as a member of the National Party Housing Committee, that the housing plan, in what it has to cope with the aggravated shortage in this field, has emphasized the need to take from those who can pay to subsidize and build housing for those who cannot."



### What Is the Position on Taxes?

What, now, is the picture on the other side? What do tax experts say, and what is going on in the minds of experts in the Ministry of Finance, as they are the ones who will cause these to emerge in complete and final form?

I went to the Ministry of Finance, looking for an answer which it was stated would be found in the Tax Branch. After a long tour, and a number of meetings which I began with Ahmad Hafi', undersecretary for tax affairs, and those working with him in this sector, and ended in the office of Ibrahim 'Abd-al-Mu'ti, director of the office of the minister of finance for tax affairs--where lengthy working sessions were being held to prepare and discuss various notions in this sphere--I unearthed one fact, the gist of which is that an operation is now underway to prepare the main features of everything bearing on this issue and means for carrying it out and that there are a number of questions for which officials and experts are seeking answers and whose nature they are seeking to define. These answers will ultimately fill out the full form of the draft. We are presenting them today as they are, on grounds that they constitute a real event. These questions are:

What is luxury housing? Does it include villas, mansions and housing units in buildings, or just villas and mansions?

Will this tax or levy be imposed on new dwellings, mansions or villas or just on old luxury buildings? Is it calculated in accordance with price jumps which occurred after 1961 and 1974, in comparison with low rents?

Who will pay or defray the tax? The occupant, be he the owner or tenant, or just the owner?

What will be the value of the tax or levy, and what entity will collect it? Will it go into the general state treasury or into a special fund or area where it will be directed to constructing of something specific, such as housing for people with limited incomes?

The last of these questions is, is it to be called a tax or a special levy with a special status and special circumstances?

11887  
CSO: 4802



## ASSIGNMENT OF APARTMENTS IN 10 RAMADAN CITY STARTS

Cairo AL-JUMHURIYAH in Arabic 5 Apr 80 p 6

/Article by Sabri 'Afifi: "Normal Life Has Begun in 10 Ramadan City; Operations Room To Hand New Apartments over to Citizens"/

/Text/ Normal life has begun to prevail in 10 Ramadan City. Thirty-five people who had made reservations have received their new apartments in the city.

The 2,000 people who have made reservations are to take delivery every day, in groups, and everyone has been notified of the delivery dates.

It has been decided that an operations room will be established in the city to assume the task of following up on notifications and implementing delivery to people who have made reservations. Five technical committees are also to be formed to receive citizens and hand over their apartments to them in the buildings allotted to them.

Mahmud al Kawitsh, head of the Real Estate Affairs Department of the City Development Agency, stated that he is now preparing a comprehensive building-by-building list of residents in the units to be handed over and is classifying them according to types of inhabitants in order to make it possible to create a sort of homogeneity and compatibility among neighbors in each building. Forms devoted to this have been prepared and filled out by persons reserving places; this includes their social status, income and number of children and the neighbors they prefer to live next to. The computer has been fed with this data and will distribute residents among apartments and villas in six neighborhoods of the city.

### The Streets of the City

Mahmud al Kawitsh stated that names are now being selected for the streets in the city; in the selection, attention is being given to name them after pioneers in medicine, engineering, literature, journalism and martyrs in the Ramadan war and the Islamic conquests which occurred in various eras of history.

## Factories

al-Kawitah said that it has been decided to establish 52 factories in the city. A prestressed concrete plant has been built, along with paint, tile, cement, foodstuff and textile plants.

## Land for Building

Land for construction has been subdivided into parcels ranging from 150 to 600 square meters in area at a price of 5 pounds per meter. Maps and drawings have been distributed to the representatives of 61 cooperative societies for construction. In addition, 44 commercial locations have been rented out for various activities in the four residential neighborhoods; these shops include a pharmacy, a bookstore, a hairdresser's shop, a tourist office, a watchmaker's, an optometrist's, an electrician's, a restaurant, a furniture display room, a cafeteria, a photography studio, an automobile spare parts store and a supermarket.

## The Neighborhoods

He stated that the residential units in 10 Ramadan City consist of neighborhoods, and each eight neighborhoods constitute an integrated quarter. So far, four residential neighborhoods have been built comprising 3,213 units, 1,768 of which are traditional housing, 528 are readymade housing, 500 are multiphase, and 417 are villas. A mobile exchange has been put in operation by microwave for temporary service until the new exchange is prepared for operation with a 40,000-line capacity.

## Medical Clinics

A number of doctors in the city have been permitted to convert some apartments into clinics to treat citizens until construction of the city hospital is completed. The Medical Department of the City Development Agency will provide all the services necessary for the citizens.

## A Life's Hope

In its second tour of 10 Ramadan City, AL-JUMHURIYAH met with a number of citizens representing the first group of persons taking delivery of new housing units.

Nazim Nur Muhammad Ja'far, age 39, in charge of freight for Kuwait Airways and the first recipient of an apartment in Residential Neighborhood One, /stated/ "I have realized a life's dream, receiving an apartment in the newest city in the heart of the Egyptian desert, after despair had filled my heart and that of my wife, Layla Futuh Salih, a teacher in 'Uthman ibn 'Affan Primary School in Shubra.

"For ten years, since we were married, we have been dreaming of this sort of apartment in such a healthy place, after falling into more than one trap over key money--the last being a contractor in al-Zaytunah who took 1,200 pounds from us for an apartment in his building, only for us to find that he had rented the apartment out to more than one resident at the same time, and that he then gave it to the one who paid more, taking over the rest for himself."

#### The City Pharmacist

Dr Fatimah al Zahra', proprietor of the first pharmacy in the city, said that she preferred to open a pharmacy in 10 Ramadan City instead of Cairo, in order to help provide treatment services to inhabitants and people working in these agglomerations, out of a feeling for the great responsibility toward society which lies on the shoulders of pharmacists. Dr Fatimah recommends, "The system of working with pharmaceutical companies and the organization transporting drugs to the city pharmacy should be organized to save transportation costs on the one hand and provide the citizens' requirements for various drugs rapidly and easily."

11887

CSO: 4802

## EGYPT

### MILITARY HOUSING PROJECTS REVIEWED

Cairo AL-JUMHURIYAH in Arabic 8 Apr 80 p 7

/Article by Ahmad Gharib: "Chairman of the Armed Forces Projects Agency: 1,000 New Apartments Will Be Delivered in May"/

/Text/ The Central Armed Forces Major Projects Agency is now constructing 2,955 housing units possessing two or three bedrooms and a living room. Of these, 1,000 will be delivered this May.

The agency will construct and build 1,300 more new apartments in al-'Amiriyah and Huckstep which will be delivered within 24 months.

This was declared by Maj Gen Eng Hasan Anwar, agency chairman, who said that the trend during the stage of peace will be to concentrate on the construction of housing and hospitals to care for noncommissioned officers in the armed forces who have made great efforts for Egypt's sake.

He said that the agency has completed the construction of six five-story residential buildings comprising 120 two- and three-bedroom apartments and a living room, 60 and 90 square meters in area, on Jisr al-Suez Street.

#### 1,800 Apartments in Madinat al Tawfiq

He stated that construction and building activities are underway now on 50 and 10-story buildings containing 1,800 two-bedroom apartments 86 meters in area with living room in Madinat al-Tawfiq along Salah Salaf Road in Madinat Nasr. Next May, 340 of these apartments will be delivered; the remaining units will be delivered in instalments.

#### 500 Apartments in Alexandria

The agency is now constructing 500 apartments in the Abu Qay section of Alexandria, 85 square meters in area, comprising two bedrooms and a living room.

In the first stage, 60 will be delivered in May and June, 100 will be delivered in December, and 40 more will be delivered in March 1981. The remaining units are to be completed in 24 months.

#### 1,200 in al-'Amiriyah and Huckstep

Maj Gen Eng Hasan Anwar 'Abd-al-Wahhab, agency chairman, pointed out that construction activities will be completed on 900 two-room apartments with living rooms in the al-'Amiriyah area by armed forces prefabricated construction plants in 18 months and that 20 five-story buildings will be constructed in the Huckstep area comprising 300 apartments, 150 of which will be delivered in May 1981.

#### 190 Units in al-Isma'iliyah

One hundred ninety two-room apartments with living room are being built in al-Isma'iliyah; 60 of these will be delivered in July.

In Port Said, construction activities are underway on three five-story buildings consisting of 54 apartments with two rooms and a living room, in addition to a 40-room hotel to be used in summer.

#### 36 Apartments on the Red Sea

Construction activities have been completed on 18 two-room apartments covering 70 square meters with living room in the town of al-Ghardaqah. The remaining units will be delivered next December.

Maj Gen Eng Hasan Anwar stated that officers can present requests to obtain these apartments from the Department of Officers', Noncommissioned Officers' and High Ranking Officers' Affairs. They must present the allocation of apartments to the Organization and Management Authority in accordance with stipulated priorities.

He stated that the agency has constructed apartments alongside military units to facilitate communications and save time; this constitutes part of the government's contribution to solving the housing problem.

11887

CSO: 4802

END



**END OF**

**FICHE**

**DATE FILMED**

30 JUNE '80

MAK